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Attorneys for Plaintiffs Cervecería Modelo, S.A. de C.V.
and Marcás Modelo, S.A. de C.V.

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----X	:	
CERVECERIA MODELO, S.A. DE C.V. and	:	
MARCAS MODELO, S.A. DE C.V.,	:	Civil Action No. 07 CV 7998
	:	
Plaintiffs,	:	
	:	REPLY TO COUNTERCLAIMS
-against-	:	
	:	
USPA ACCESSORIES LLC d/b/a CONCEPT ONE	:	
ACCESSORIES,	:	
	:	
Defendant.	:	
-----X	:	

Plaintiffs-Counterclaim Defendants Cervecería Modelo, S.A. de C.V. and Marcás Modelo, S.A. de C.V. (together, "Plaintiffs"), through their attorneys, Kirkpatrick & Lockhart Preston Gates Ellis LLP, reply to the Counterclaims filed by Defendant USPA Accessories LLC d/b/a Concept One Accessories, which are set forth in Paragraphs 93-115 of Defendant's April 24, 2008 Second Amended Answer and Counterclaims, as follows:

**As And For Their Response To The First Counterclaim
(Breach of Contract)**

1. Plaintiffs neither admit nor deny the allegations contained in Paragraph 93 of the Second Amended Answer and Counterclaims because Paragraph 93 repeats the allegations of

Defendant's Answer to which no response is required. To the extent any response is deemed required, Plaintiffs deny the allegations contained in Paragraph 93 of the Second Amended Answer and Counterclaims.

2. Plaintiffs deny the allegations contained in Paragraph 94 of the Second Amended Answer and Counterclaims, except they admit that in or about January 2004 Defendant entered into a license agreement with Procermex, Inc. that was renewable each year at the discretion of the licensor.

3. Plaintiffs deny the allegations contained in Paragraph 95 of the Second Amended Answer and Counterclaims.

4. Plaintiffs deny the allegations contained in Paragraph 96 of the Second Amended Answer and Counterclaims, except they admit that in or about November 2006 Marcas Modelo, S.A. de C.V. and Concept One Accessories entered into a license agreement effective January 1, 2007 (the "License Agreement").

5. Plaintiffs deny the allegations contained in Paragraph 97 of the Second Amended Answer and Counterclaims.

6. Plaintiffs deny the allegations contained in Paragraph 98 of the Second Amended Answer and Counterclaims.

7. Plaintiffs deny the allegations contained in Paragraph 99 of the Second Amended Answer and Counterclaims.

8. Plaintiffs deny the allegations contained in Paragraph 100 of the Second Amended Answer and Counterclaims, except they admit that Marcas Modelo, S.A. de C.V. legally and properly terminated the License Agreement on July 26, 2007.

9. Plaintiffs deny the allegations contained in Paragraph 101 of the Second Amended Answer and Counterclaims.

10. Plaintiffs deny the allegations contained in Paragraph 102 of the Second Amended Answer and Counterclaims.

**As And For Their Response To The Second Counterclaim
(Declaratory Judgment)**

11. Plaintiffs repeat and reallege each and every response set forth in paragraphs 1 through 10 above as if fully set forth herein.

12. Paragraph 104 of the Second Amended Answer and Counterclaims contains legal conclusions to which no response is required. To the extent a response is deemed required, Plaintiffs deny the allegations contained in paragraph 104 of the Second Amended Answer and Counterclaims.

13. Paragraph 105 of the Second Amended Answer and Counterclaims contains legal conclusions to which no response is required. To the extent a response is deemed required, Plaintiffs deny the allegations contained in paragraph 105 of the Second Amended Answer and Counterclaims.

**As And For Their Response To The Third Counterclaim
(Tortious Interference With Business Relations)**

14. Plaintiffs repeat and reallege each and every response set forth in paragraphs 1 through 13 above as if fully set forth herein.

15. Plaintiffs deny the allegations contained in Paragraph 107 of the Second Amended Answer and Counterclaims.

16. Plaintiffs deny the allegations contained in Paragraph 108 of the Second Amended Answer and Counterclaims.

17. Plaintiffs deny the allegations contained in Paragraph 109 of the Second Amended Answer and Counterclaims.

18. Plaintiffs deny the allegations contained in Paragraph 110 of the Second Amended Answer and Counterclaims.

19. Plaintiffs deny the allegations contained in Paragraph 111 of the Second Amended Answer and Counterclaims.

20. Plaintiffs deny the allegations contained in Paragraph 112 of the Second Amended Answer and Counterclaims.

21. Plaintiffs deny the allegations contained in Paragraph 113 of the Second Amended Answer and Counterclaims.

22. Plaintiffs deny the allegations contained in Paragraph 114 of the Second Amended Answer and Counterclaims.

23. Plaintiffs deny the allegations contained in Paragraph 115 of the Second Amended Answer and Counterclaims.

DEFENSES

First Defense

24. The Counterclaims fail to state a claim upon which relief can be granted.

Second Defense

25. The Counterclaims fail because Marcas Modelo, S.A. de C.V. was at all times in compliance with the terms of the License Agreement.

Third Defense

26. The Counterclaims fail because any actions taken by Plaintiffs were justified to protect their rights, including trademark rights.

Fourth Defense

27. The Counterclaims are barred, in whole or in part, by the doctrine of unclean hands, estoppel, waiver, or laches.

Fifth Defense

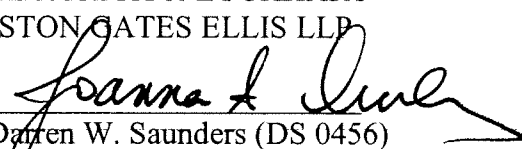
28. Defendant is not entitled to an award of punitive damages per the Court's April 10, 2008 Opinion and Order.

Dated: New York, New York
May 14, 2008

Respectfully submitted,

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